

1 HOUSE BILL NO. 753

2 INTRODUCED BY R. BUZZAS

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING THE MONTANA CLEAN CAMPAIGN ACT;
5 DEFINING TERMS; PROVIDING THAT THE COMMISSIONER OF POLITICAL PRACTICES ADMINISTER THE
6 PROVISIONS OF THE ACT; PROVIDING RULEMAKING AUTHORITY; ESTABLISHING A SPECIAL REVENUE
7 ACCOUNT FOR PUBLIC FUNDING OF CAMPAIGNS; PROVIDING A STATUTORY APPROPRIATION;
8 DEFINING A PROCESS BY WHICH CANDIDATES FOR STATEWIDE OR LEGISLATIVE OFFICES CAN
9 RECEIVE PUBLIC CAMPAIGN FUNDS; SETTING CONTRIBUTION AND EXPENDITURE LIMITS; PROVIDING
10 FOR A VOLUNTARY INCOME TAX CHECKOFF FOR THE CLEAN CAMPAIGN FUND; PROVIDING
11 PENALTIES; AMENDING SECTIONS 13-37-205, 13-37-207, 13-37-215, 13-37-216, 13-37-218, 13-37-225,
12 13-37-226, 13-37-240, AND 17-7-502, MCA; AND PROVIDING EFFECTIVE DATES AND A TERMINATION
13 DATE."

14

15 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

16

17 NEW SECTION. **Section 1. Short title.** [Sections 1 through 11] may be cited as the "Montana Clean
18 Campaign Act".

19

20 NEW SECTION. **Section 2. Statement of intent and finding -- rulemaking.** (1) The purpose of the
21 Montana Clean Campaign Act is to provide public funding for political campaigns in order to:

22 (a) create a clean elections system that improves the integrity of government by diminishing the
23 influence of special-interest money;

24 (b) encourage citizen participation in the political process;

25 (c) promote freedom of speech under the United States and Montana constitutions; and

26 (d) allow campaigns to become more issue-oriented and less negative by avoiding the need to focus
27 campaigns on the sources of campaign contributions.

28 (2) The legislature finds that the current election financing system:

29 (a) allows incumbents to accept large campaign contributions from private interests over which the
30 incumbents have governmental jurisdiction, which creates a clear conflict of interest;

- 1 (b) gives incumbents an unhealthy advantage over challengers;
2 (c) hinders communications to the voters from a range of qualified candidates who may not have direct
3 access to special interest money;
4 (d) effectively suppresses the voices and influence of the vast majority of Montana citizens by allowing
5 the voices and influence of a small number of wealthy special interests to dominate campaign communications;
6 (e) undermines public confidence in the integrity of public officials;
7 (f) increases the cost of running for statewide and legislative offices, discouraging otherwise qualified
8 candidates from running because they lack personal wealth or access to special-interest funding; and
9 (g) requires incumbents to spend an inordinate amount of time raising funds instead of performing the
10 duties of their offices.

11 (3) The commissioner shall adopt rules to implement the provisions of [sections 1 through 11].
12

13 **NEW SECTION. Section 3. Definitions.** As used in [sections 1 through 11], the following definitions
14 apply:

15 (1) "Candidate's campaign committee" means the political committee designated and authorized by a
16 candidate for the candidate's campaign.

17 (2) "Clean campaign fund" means the account established in [section 4].

18 (3) "Election cycle" means the period between general elections.

19 (4) "Exploratory period" means the period of time beginning the day after the general election and
20 ending the day before the qualifying period.

21 (5) "Family contribution" means any contribution that is provided to a candidate's campaign committee
22 by a parent, grandparent, spouse, child, or sibling of the candidate or by a parent or spouse of any of these
23 persons.

24 (6) "General election period" means the period beginning on the day after the primary election and
25 ending on the day of the general election.

26 (7) "Participating candidate" means a candidate who intends to be certified or becomes certified as a
27 participant pursuant to [section 8].

28 (8) "Personal funds" means:

29 (a) assets to which a candidate has a legal right of access to or control of at the time the candidate
30 becomes a candidate;

- 1 (b) the proceeds of loans obtained by the candidate that are not contributions; and
2 (c) family contributions.
- 3 (9) "Primary election period" means the 9-week period before the date of the primary election.
4 (10) "Qualifying period" means:
5 (a) for a candidate for statewide office, the period of time beginning on August 1 in the year preceding
6 the general election and ending 75 days before the general election; or
7 (b) for a candidate for a legislative office, the period of time beginning on January 1 in the year of the
8 general election and ending 75 days before the general election.

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10 **NEW SECTION. Section 4. Clean campaign fund -- investment -- interest retained -- statutory**
11 **appropriation.** (1) There is a clean campaign fund established as an account in the state special revenue fund
12 to the credit of the office of the commissioner of political practices.

13 (2) Money in the clean campaign fund must be invested by the board of investments, and all interest
14 earned must be retained in the clean campaign fund.

15 (3) Money in the clean campaign fund is statutorily appropriated, as provided in 17-7-502, to the office
16 of the commissioner of political practices and may be used only for administration and implementation of the
17 Montana Clean Campaign Act pursuant to [sections 1 through 11].

18
19 **NEW SECTION. Section 5. Participating candidates' campaign accounts.** (1) Except as provided
20 in subsection (4), a participating candidate shall conduct all financial activity related to the candidate's campaign
21 through a single campaign account of the candidate's campaign committee and may not make any deposits to
22 the campaign account other than those permitted under [sections 1 through 11].

23 (2) A participating candidate may authorize one or more designated persons to withdraw funds from
24 the candidate's campaign account. To authorize a designated person, the candidate and the designated person
25 shall sign a joint statement under oath promising to comply with the requirements of [sections 1 through 11].

26 (3) (a) Except as provided in subsection (4), any payment from the candidate's campaign account must
27 be made directly to the person or entity providing goods or services to the campaign.

28 (b) For each payment made, the identity, including the full name of the person receiving the payment,
29 the street address of the recipient, and a description of the goods or services for which the payment was made
30 must be included in reports required pursuant to [section 10].

1 (c) Money in a participating candidate's campaign account may not be used to pay fines or civil
2 penalties or for defense of any enforcement action under [sections 1 through 11]. However, nothing in [sections
3 1 through 11] prohibits a participating candidate from having a legal defense fund.

4 (4) A participating candidate's campaign committee may establish one or more petty cash accounts,
5 but the aggregate amount of money in the accounts at any one time may not exceed \$1,000. An expenditure
6 from a petty cash account may not exceed \$100.

7
8 **NEW SECTION. Section 6. Exploratory period -- contribution and expenditure limits.** (1) During
9 the exploratory period, a participating candidate may not:

10 (a) accept contributions from anyone but a private contributor who is a United States citizen;

11 (b) accept more than \$110 from one contributor;

12 (c) accept total aggregate contributions, excluding contributions from personal funds, exceeding:

13 (i) \$20,000 for the office of governor;

14 (ii) \$10,000 for a statewide office other than governor; or

15 (iii) \$5,000 for a legislative office;

16 (d) accept personal contributions exceeding:

17 (i) \$1,000 for the office of governor;

18 (ii) \$700 for a statewide office other than governor; or

19 (iii) \$400 for a legislative office.

20 (2) Contributions raised during the exploratory period may be spent only on campaign activities during
21 the exploratory period and qualifying period.

22 (3) Contributions raised during the exploratory period that are not spent by the end of the qualifying
23 period must be donated to the clean campaign fund established in [section 4].

24 (4) Contributions and expenditures during the exploratory period must be reported as provided in
25 [section 10].

26 (5) Except as provided in subsection (6), a participating candidate may not collect contributions during
27 the exploratory period other than the contributions authorized in this section.

28 (6) Qualifying contributions collected pursuant to [section 7] may be collected at the same time as
29 contributions collected during the exploratory period.

30

1 **NEW SECTION. Section 7. Qualifying contributions required before end of qualifying period.** (1)

2 To qualify as a participating candidate, a candidate shall collect the following number of \$5 qualifying
3 contributions before the end of the qualifying period:

4 (a) 3,000 for the office of governor;

5 (b) 2,000 for a statewide office other than governor;

6 (c) 100 for a legislative office.

7 (2) (a) A candidate for a statewide office may collect \$5 qualifying contributions only from registered
8 electors.

9 (b) A candidate for a legislative office may collect \$5 qualifying contributions only from electors
10 registered to vote in the legislative district in which the candidate is running.

11 (3) Qualifying contributions must be for the sum of exactly \$5 and may be solicited only by
12 uncompensated volunteers.

13 (4) Each qualifying contribution must be recorded using a three-part reporting slip that includes the
14 printed name of the contributor, the contributor's address as a registered elector, the contributor's signature, the
15 name of the candidate for whom the contribution is made, the date, and the printed name and signature of the
16 solicitor. One copy of the reporting slip must be given as a receipt to the contributor, one copy must be retained
17 by the candidate's campaign committee, and one copy must be forwarded to the commissioner with the report
18 required in [section 10(1)].

19 (5) During the qualifying period, a participating candidate may not collect contributions other than the
20 qualifying contributions provided for in this section.

21 (6) Each candidate's qualifying contributions must be deposited in the clean campaign fund established
22 in [section 4] before the candidate may be certified as a participating candidate under [section 8].

23

24 **NEW SECTION. Section 8. Certification as participating candidate.** (1) A candidate who has filed
25 a declaration for nomination pursuant to 13-10-201 or 13-10-211 for a statewide or legislative office may become
26 certified as a participating candidate by filing an application, on a form prescribed by the commissioner, before
27 the end of the qualifying period and collecting and depositing the required number of qualifying contributions as
28 provided in [section 7].

29 (2) The information provided on the application must include:

30 (a) the candidate's full name;

- 1 (b) the office being sought;
- 2 (c) the candidate's party; and
- 3 (d) the candidate's signature.
- 4 (3) The application must be accompanied by a signed affidavit certifying that:
- 5 (a) the candidate has complied with the provisions of [sections 1 through 11] to date;
- 6 (b) to the best of the candidate's knowledge, the reports are complete and accurate; and
- 7 (c) the candidate will continue to comply with the provisions of [sections 1 through 11] during the
- 8 remainder of the election cycle.

9

10 **NEW SECTION. Section 9. Funding for participating candidates.** (1) Except as provided in

11 subsection (4), at the beginning of each primary election period, the commissioner shall pay from the clean

12 campaign fund established in [section 4] to the campaign account of each certified participating candidate the

13 following amounts:

- 14 (a) for an opposed candidate in a party primary election, an amount equal to the primary election
- 15 spending limit specified for the office in subsection (3); or
- 16 (b) for an unopposed candidate, an amount equal to \$5 multiplied by the number of the candidate's
- 17 qualifying contributions.

18 (2) Except as provided in subsection (4), at the beginning of each general election period, the

19 commissioner shall pay from the clean campaign fund established in [section 4] to the campaign account of each

20 qualified participating candidate the following amounts:

- 21 (a) for an opposed candidate, an amount equal to the general election funding limit specified in
- 22 subsection (3); and
- 23 (b) for an unopposed candidate, an amount equal to \$5 multiplied by the number of the candidate's
- 24 qualifying contributions.

25 (3) The following spending limits apply to participating candidates during the primary election cycle and

26 general election cycle:

	Primary	General
27 For a candidate for governor	\$300,000	\$500,000
28 For a candidate for a statewide office	70,000	170,000
29 For a candidate for the legislature	8,000	24,000

1 (4) If money in the fund is insufficient to provide funding in the amount specified in subsection (3) to
2 each eligible candidate, the commissioner shall adjust the schedule proportionate to the funds available.

3 (5) (a) Funds provided for the primary election that are not spent by the day of the primary election must
4 be returned to the fund.

5 (b) Funds provided for the general election that are not spent by the day of the general election must
6 be returned to the fund.

7

8 **NEW SECTION. Section 10. Reports by participating candidates.** (1) In lieu of any other campaign
9 finance reports required by law, each participating candidate shall file with the commissioner the following
10 reports, which must include all expenditures and contributions during the time period covered:

11 (a) by no later than 1 week following the end of the qualifying period, a report covering the exploratory
12 period through the qualifying period, at which time qualifying contributions must be deposited to the fund;

13 (b) by no later than 1 week following the date of the primary election, a report covering the primary
14 period to the day of the primary election, at which time all unexpended clean campaign funds must be returned;
15 and

16 (c) by no later than 1 week following the date of the general election, at which time all unexpended clean
17 campaign funds must be returned.

18 (2) The commissioner shall adopt rules to implement the provisions of this section and specifying what
19 information must be included in each report and the manner in which a report may be filed.

20

21 **NEW SECTION. Section 11. Penalties for violations of clean campaign provisions.** (1) A
22 participating candidate who violates a contribution or spending limit provided in [sections 1 through 11] is liable
23 in a civil action brought by the commissioner or the county attorney pursuant to 13-37-124 and 13-37-125 for
24 a civil penalty of 10 times the amount of the illegal contribution or expenditure.

25 (2) A participating candidate who fails to return unexpended funds as required in [section 9] is liable for
26 a civil penalty of:

27 (a) \$50 for each day a candidate for legislature fails to return unexpended funds; or

28 (b) \$200 for each day a candidate for a statewide office fails to return unexpended funds.

29 (3) A participating candidate and the candidate's campaign committee are jointly and severally
30 responsible for a penalty imposed under this section.

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 2 **NEW SECTION. Section 12. Voluntary checkoff for clean campaign fund.** (1) Each individual
 3 taxpayer who is required to file an income tax return under this chapter and who is entitled to a refund may
 4 contribute to the clean campaign fund established in [section 4] by marking the appropriate box on the state
 5 income tax return.

6 (2) Each Montana state individual income tax return form must contain a provision for indicating a
 7 contribution to the clean campaign fund in substantially the following form:

8 Clean campaign fund. Check this box if you wish to designate \$25 ____, \$50 ____, or more ____ (indicate
 9 amount) of your tax refund to help fund clean campaigns for candidates for statewide offices and legislative
 10 districts in primary and general elections. On a joint return, check the corresponding box for your spouse if your
 11 spouse wishes to contribute \$25 ____, \$50 ____, or more ____ (indicate amount) of the refund for the same
 12 purpose.

13 (3) Money received under this section must be deposited in the clean campaign fund established in
 14 [section 4] after the department has deducted the amount necessary for the department to administer this section
 15 as provided in 15-30-153.

16
 17 **Section 13.** Section 13-37-205, MCA, is amended to read:

18 **"13-37-205. Campaign depositories.** (1) Except as provided in 13-37-206, each candidate and each
 19 political committee shall designate one primary campaign depository for the purpose of depositing all
 20 contributions received and disbursing all expenditures made by the candidate or political committee.

21 (2) ~~The A~~ candidate or political committee not electing to be covered pursuant to [sections 1 through
 22 11] may also designate one secondary depository in each county in which an election is held and in which the
 23 candidate or committee participates. Deputy campaign treasurers may make deposits in and expenditures from
 24 secondary depositories when authorized to do so as provided in 13-37-202(2).

25 (3) Only a bank, credit union, savings and loan association, or building and loan association authorized
 26 to transact business in Montana may be designated as a campaign depository irrespective of whether the
 27 candidate or political committee elects to be covered under [sections 1 through 11].

28 (4) ~~The Each~~ candidate or political committee shall file the name and address of each designated
 29 primary and secondary depository so designated at the same time and with the same officer with whom the
 30 candidate or committee files the name of ~~his or its~~ the candidate's or committee's campaign treasurer pursuant

1 to 13-37-201.

2 (5) Nothing in this section shall prevent a candidate or political committee ~~or candidate not subject to~~
 3 the provisions of [section 5] from having more than one campaign account in the same depository, but a
 4 candidate may not utilize ~~his~~ the candidate's regular or personal account in the depository as a campaign
 5 account."
 6

7 **Section 14.** Section 13-37-207, MCA, is amended to read:

8 **"13-37-207. Deposit of contributions -- statement of campaign treasurer.** (1) All funds received by
 9 the campaign treasurer or any deputy campaign treasurer of any candidate or political committee ~~shall~~ must be
 10 deposited prior to the end of the fifth business day following their receipt-~~(, excluding~~ Sundays and holidays
 11 ~~excluded).~~ Funds received for a candidate or committee that elects to be covered under [sections 1 through 11]
 12 must be deposited to the account established pursuant to [section 5]. Funds received for other candidates or
 13 committees must be deposited in a checking account, share draft account, share checking account, or
 14 negotiable order of withdrawal account in a campaign depository designated pursuant to 13-37-205.

15 (2) A statement showing the amount received from or provided by each person and the account in which
 16 the funds are deposited ~~shall~~ must be prepared by the campaign treasurer at the time the deposit is made. This
 17 statement along with the receipt form for cash contributions deposited at the same time and a deposit slip for
 18 the deposit ~~shall~~ must be kept by the treasurer as a part of ~~his~~ the treasurer's records."
 19

20 **Section 15.** Section 13-37-215, MCA, is amended to read:

21 **"13-37-215. Petty cash funds allowed.** (1) ~~The~~ Except as provided in [section 5] for candidates and
 22 committees electing to be covered under [sections 1 through 11], the campaign treasurer for each candidate or
 23 political committee is authorized to withdraw the following amount each week from the primary depository for
 24 the purpose of providing a petty cash fund for the candidate or political committee:

25 (a) for all statewide candidates and political committees filing reports pursuant to 13-37-226(1), \$100
 26 per week; and

27 (b) for all other candidates and political committees, \$25 per week.

28 (2) The petty cash fund may be spent for office supplies, transportation expenses, postage stamps, and
 29 other necessities in an amount of less than \$25. Petty cash ~~shall~~ may not be used for the purchase of time,
 30 space, or services from any communications medium."

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Section 16. Section 13-37-216, MCA, is amended to read:

"13-37-216. Limitations on contributions -- nonapplicability. (1) (a) Aggregate contributions for each election in a campaign by a political committee or by an individual, other than the candidate, to a candidate are limited as follows:

(i) for candidates filed jointly for the office of governor and lieutenant governor, not to exceed \$400;

(ii) for a candidate to be elected for state office in a statewide election, other than the candidates for governor and lieutenant governor, not to exceed \$200;

(iii) for a candidate for any other public office, not to exceed \$100.

(b) A contribution to a candidate includes contributions made to the candidate's committee and to any political committee organized on the candidate's behalf.

(2) (a) A political committee that is not independent of the candidate is considered to be organized on the candidate's behalf. For the purposes of this section, an independent committee means a committee ~~which~~ that is not specifically organized on behalf of a particular candidate or ~~which~~ that is not controlled either directly or indirectly by a candidate or candidate's committee and ~~which~~ that does not act jointly with a candidate or candidate's committee in conjunction with the making of expenditures or accepting contributions.

(b) A leadership political committee maintained by a political officeholder is considered to be organized on the political officeholder's behalf.

(3) All political committees except those of political party organizations are subject to the provisions of subsections (1) and (2). For purposes of this subsection, "political party organization" means any political organization that was represented on the official ballot at the most recent gubernatorial election. Political party organizations may form political committees that are subject to the following aggregate limitations from all political party committees:

(a) for candidates filed jointly for the offices of governor and lieutenant governor, not to exceed \$15,000;

(b) for a candidate to be elected for state office in a statewide election, other than the candidates for governor and lieutenant governor, not to exceed \$5,000;

(c) for a candidate for public service commissioner, not to exceed \$2,000;

(d) for a candidate for the state senate, not to exceed \$800;

(e) for a candidate for any other public office, not to exceed \$500.

(4) A candidate may not accept any contributions in excess of the limits in this section.

1 (5) For purposes of this section, "election" means the general election or a primary election that involves
 2 two or more candidates for the same nomination. If there is not a contested primary, there is only one election
 3 to which the contribution limits apply. If there is a contested primary, then there are two elections to which the
 4 contribution limits apply.

5 (6) This section does not apply to candidates and political committees electing to be covered under
 6 [sections 1 through 11]."

7
 8 **Section 17.** Section 13-37-218, MCA, is amended to read:

9 **"13-37-218. Limitations on receipts from political committees -- nonapplicability.** (1) A candidate
 10 for the state senate may receive no more than \$1,000 in total combined monetary contributions from all political
 11 committees contributing to the candidate's campaign, and a candidate for the state house of representatives may
 12 receive no more than \$600 in total combined monetary contributions from all political committees contributing
 13 to the candidate's campaign.

14 (2) The limitations in ~~this section~~ subsection (1) must be multiplied by the inflation factor as defined in
 15 15-30-101 for the year in which general elections are held. The resulting figure must be rounded off to the
 16 nearest \$50 increment. The commissioner shall publish the revised limitations as a rule.

17 (3) In-kind contributions must be included in computing ~~these~~ the limitation totals provided in this
 18 section.

19 (4) The limitation provided in this section does not apply to contributions made by a political party
 20 eligible for a primary election under 13-10-601.

21 (5) This section does not apply to a candidate or a candidate's campaign committee electing to be
 22 covered under the Montana Clean Campaign Act, [sections 1 through 11]."

23
 24 **Section 18.** Section 13-37-225, MCA, is amended to read:

25 **"13-37-225. Reports of contributions and expenditures required.** (1) Except as provided in
 26 13-37-206 and [section 10] with respect to a candidate and a candidate's campaign committees electing to be
 27 covered under the Montana Clean Campaign Act, [sections 1 through 11], each candidate and political
 28 committee shall file periodic reports of contributions and expenditures made by or on the behalf of a candidate
 29 or political committee. All reports required by this chapter ~~shall~~ must be filed with the commissioner and with the
 30 election administrator of the county in which a candidate is a resident or in which the political committee has its

1 headquarters. However, ~~where~~ when residency within a district, county, city, or town is not a prerequisite for
 2 being a candidate, copies of all reports ~~shall~~ must be filed with the election administrator of the county in which
 3 the election is to be held or, if the election is to be held in more than one county, with the election administrator
 4 in the county that the commissioner specifies.

5 (2) In lieu of all contribution and expenditure reports required by this chapter, the commissioner shall
 6 accept copies of the reports filed by candidates for congress and president of the United States and their political
 7 committees pursuant to the requirements of federal law."

8

9 **Section 19.** Section 13-37-226, MCA, is amended to read:

10 **"13-37-226. Time for filing reports.** (1) ~~Candidates~~ Except as provided in [section 10] for candidates
 11 who elect to be covered under the Montana Clean Campaign Act, [sections 1 through 11], candidates for a state
 12 office filled by a statewide vote of all the electors of Montana and political committees that are organized to
 13 support or oppose a particular statewide candidate shall file reports:

14 (a) quarterly, due on the fifth day following a calendar quarter, beginning with the calendar quarter in
 15 which funds are received or expended during the year or years prior to the election year that the candidate
 16 expects to be on the ballot;

17 (b) on the 10th day of March and September in each year that an election is to be held and on the 15th
 18 and 5th days preceding the date on which an election is held and within 24 hours after receiving a contribution
 19 of \$200 or more if received between the 10th day before the election and the day of the election;

20 (c) not more than 20 days after the date of the election; and

21 (d) on the 10th day of March and September of each year following an election until the candidate or
 22 political committee files a closing report as specified in 13-37-228(3).

23 (2) Political committees organized to support or oppose a particular statewide ballot issue shall file
 24 reports:

25 (a) quarterly, due on the fifth day following a calendar quarter, beginning with the calendar quarter in
 26 which the text of the proposed measure is submitted for review and approval pursuant to 13-27-202 during the
 27 year or years prior to the election year that an issue is or is expected to be on the ballot;

28 (b) on the 10th day of March and on the 10th day of each subsequent month through September;

29 (c) on the 15th and 5th days preceding the date on which an election is held;

30 (d) within 24 hours after receiving a contribution of \$500 or more if received between the 10th day

1 before the election and the day of the election;

2 (e) within 20 days after the election; and

3 (f) on the 10th day of March and September of each year following an election until the political
4 committee files a closing report as specified in 13-37-228(3).

5 (3) ~~Candidates~~ Except as provided in [section 10] for candidates electing to be covered under the
6 Montana Clean Campaign Act, [sections 1 through 11], candidates for a state district office, including but not
7 limited to candidates for the legislature, the public service commission, or a district court judge, and political
8 committees that are specifically organized to support or oppose a particular state district candidate or issue shall
9 file reports:

10 (a) on the 12th day preceding the date on which an election is held and within 48 hours after receiving
11 a contribution of \$100 or more if received between the 17th day before the election and the day of the election.
12 The report under this subsection (3)(a) may be made by mail or by electronic communication to the clerk and
13 recorder and the commissioner of political practices.

14 (b) not more than 20 days after the date of the election; and

15 (c) whenever a candidate or political committee files a closing report as specified in 13-37-228(3).

16 (4) Candidates for any other public office and political committees that are specifically organized to
17 support or oppose a particular local issue shall file the reports specified in subsection (3) only if the total amount
18 of contributions received or the total amount of funds expended for all elections in a campaign, excluding the
19 filing fee paid by the candidate, exceeds \$500, except as provided in 13-37-206.

20 (5) For the purposes of this subsection, a committee that is not specifically organized to support or
21 oppose a particular candidate or ballot issue and that receives contributions and makes expenditures in
22 conjunction with an election is an independent committee. For the purpose of reporting, a political party
23 committee is an independent committee. An independent committee shall file:

24 (a) a report on the 12th day preceding the date of an election in which it participates by making an
25 expenditure;

26 (b) a report not more than 20 days after the date of the election in which it participates by making an
27 expenditure; and

28 (c) a report on a date to be prescribed by the commissioner for a closing report at the close of each
29 calendar year.

30 (6) The commissioner may promulgate rules regarding the extent to which organizations that are

1 incidental political committees shall report their politically related activities in accordance with this chapter.

2 (7) All reports required by this section must be complete as of the fifth day before the date of filing as
3 specified in 13-37-228(2) and this section."

4

5 **Section 20.** Section 13-37-240, MCA, is amended to read:

6 **"13-37-240. Surplus campaign funds.** (1) ~~A~~ Except as provided in [sections 1 through 11] for a
7 candidate participating in the Montana Clean Campaign Act, a candidate shall dispose of any surplus funds from
8 the candidate's campaign within 120 days after the time of filing the closing campaign report pursuant to
9 13-37-228. In disposing of the surplus funds, a candidate may not contribute the funds to another campaign,
10 including the candidate's own future campaign, or use the funds for personal benefit. The candidate shall provide
11 a supplement to the closing campaign report to the commissioner showing the disposition of any surplus
12 campaign funds.

13 (2) For purposes of this section, "personal benefit" means a use that will provide a direct or indirect
14 benefit of any kind to the candidate or any member of the candidate's immediate family."

15

16 **Section 21.** Section 17-7-502, MCA, is amended to read:

17 **"17-7-502. Statutory appropriations -- definition -- requisites for validity.** (1) A statutory
18 appropriation is an appropriation made by permanent law that authorizes spending by a state agency without
19 the need for a biennial legislative appropriation or budget amendment.

20 (2) Except as provided in subsection (4), to be effective, a statutory appropriation must comply with both
21 of the following provisions:

22 (a) The law containing the statutory authority must be listed in subsection (3).

23 (b) The law or portion of the law making a statutory appropriation must specifically state that a statutory
24 appropriation is made as provided in this section.

25 (3) The following laws are the only laws containing statutory appropriations: 2-15-151; 2-17-105;
26 5-13-403; 10-3-203; 10-3-310; 10-3-312; 10-3-314; 10-4-301; [section 4]; 15-1-111; 15-1-113; 15-1-121;
27 15-23-706; 15-35-108; 15-36-324; 15-37-117; 15-38-202; 15-65-121; 15-70-101; 17-3-106; 17-3-212; 17-3-222;
28 17-3-241; 17-6-101; 17-7-304; 18-11-112; 19-3-319; 19-9-702; 19-13-604; 19-17-301; 19-18-512; 19-19-305;
29 19-19-506; 19-20-604; 20-8-107; 20-9-534; 20-9-622; 20-26-1503; 22-3-1004; 23-5-306; 23-5-409; 23-5-612;
30 23-5-631; 23-7-301; 23-7-402; 37-43-204; 37-51-501; 39-71-503; 42-2-105; 44-12-206; 44-13-102; 50-4-623;

1 53-6-703; 53-24-206; 75-1-1101; 75-5-1108; 75-6-214; 75-11-313; 80-2-222; 80-4-416; 80-5-510; 80-11-518;
2 82-11-161; 87-1-513; 90-3-1003; 90-6-710; and 90-9-306.

3 (4) There is a statutory appropriation to pay the principal, interest, premiums, and costs of issuing,
4 paying, and securing all bonds, notes, or other obligations, as due, that have been authorized and issued
5 pursuant to the laws of Montana. Agencies that have entered into agreements authorized by the laws of Montana
6 to pay the state treasurer, for deposit in accordance with 17-2-101 through 17-2-107, as determined by the state
7 treasurer, an amount sufficient to pay the principal and interest as due on the bonds or notes have statutory
8 appropriation authority for the payments. (In subsection (3): pursuant to Ch. 422, L. 1997, the inclusion of
9 15-1-111 terminates on July 1, 2008, which is the date that section is repealed; pursuant to sec. 10, Ch. 360,
10 L. 1999, the inclusion of 19-20-604 terminates when the amortization period for the teachers' retirement system's
11 unfunded liability is 10 years or less; pursuant to sec. 4, Ch. 497, L. 1999, the inclusion of 15-38-202 terminates
12 July 1, 2014; pursuant to sec. 10(2), Ch. 10, Sp. L. May 2000, the inclusion of 15-35-108 and 90-6-710
13 terminates June 30, 2005; pursuant to sec. 17, Ch. 414, L. 2001, the inclusion of 2-15-151 terminates December
14 31, 2006; and pursuant to sec. 2, Ch. 594, L. 2001, the inclusion of 17-3-241 becomes effective July 1, 2003.)"
15

16 **NEW SECTION. Section 22. Codification instruction.** (1) [Sections 1 through 11] are intended to
17 be codified as an integral part of Title 13, chapter 37, and the provisions of Title 13, chapter 37, apply to [sections
18 1 through 11].

19 (2) [Section 12] is intended to be codified as an integral part of Title 15, chapter 30, part 1, and the
20 provisions of Title 15, chapter 30, part 1, apply to [section 12].
21

22 **NEW SECTION. Section 23. Effective dates.** (1) [Sections 1 through 4, 11 through 22, and 24 and
23 this section] are effective July 1, 2003.

24 (2) [Sections 5 through 10] are effective November 9, 2004.
25

26 **NEW SECTION. Section 24. Termination.** [This act] terminates January 1, 2013.
27

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